

Joseph T. Baio
Mary Eaton
Emma J. James
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
Telephone: (212) 728-8000
Facsimile: (212) 728-8111

*Attorneys for Monarch Alternative Capital LP,
Stonehill Capital Management LLC, and Bayview Fund
Management LLC, each in its capacity as
investment advisor to certain funds, and for CQS ABS Master
Fund Limited and CQS ABS Alpha Master
Fund Limited.*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____)	
In re:)	Chapter 11
)	
Residential Capital, LLC, <i>et al.</i> ,)	Case No. 12-12020 (MG)
)	
Debtors.)	Jointly Administered
_____)	

**DECLARATION OF MARY EATON
IN SUPPORT OF INVESTORS' MOTIONS IN LIMINE**

I, Mary Eaton, declare as follows:

1. I am a member of the firm of Willkie Farr & Gallagher LLP ("**WF&G**"), which maintains offices for the practice of law at 787 Seventh Avenue, New York, New York 10019, attorneys for Monarch Alternative Capital LP, Stonehill Capital Management LLC and Bayview Fund Management LLC, each in its capacity as investment advisor to certain funds, and to CQS ABS Master Fund Limited and CQS ABS Alpha Master Fund Limited (collectively, the "**Investors**") in the above-captioned action.

2. I respectfully submit this Declaration in support of the Investors' Motion in Limine Nos. One through Five, each dated August 7, 2013, [Dkt. Nos. 4539, 4541, 4545, 4546, and 4548], to preclude certain evidence regarding the Debtors' ("**Debtors**") Motion Pursuant to Fed. R. Bankr. P. 9019 for Approval of the Settlement Agreement Among the Debtors, FGIC, the FGIC Trustees and Certain Institutional Investors [Dkt. No. 3929] (the "**9019 Motion**").

3. At the outset of discovery in this matter, the parties discussed which documents (if any) needed to be itemized on a privilege log. The Debtors took the position that itemizing materials protected by the so-called "mediation privilege" would be unduly burdensome. While the Investors objected, the Court indicated in an off-the-record conversation that the approach suggested by the Debtors and the Trustees was acceptable. However, no order to that effect was ever entered. As a result, it is the understanding of counsel for the Investors that materials regarding the mediation have neither been produced nor itemized on a privilege log, except to the extent those materials reflect communications between counsel for the Debtors and for the Trustees and their respective clients.

4. Attached as Exhibit 1 is a true and correct copy of the transcript from the hearing held in this matter on June 17, 2013.

5. Attached as Exhibit 2 is a true and correct copy of the transcript from the hearing held in this matter on July 17, 2013.

6. Attached as Exhibit 3 is a true and correct copy of the transcript from the hearing held in this matter on July 25, 2013.

7. Attached as Exhibit 4 is a true and correct excerpt of the transcript of the deposition of John S. Dubel, dated July 10, 2013.

8. Attached as Exhibit 5 is a true and correct excerpt of the transcript of the deposition of Lewis Kruger, dated July 11, 2013.

9. Attached as Exhibit 6 is a true and correct excerpt of the transcript of the deposition of Mary Sohlberg, dated July 16, 2013.

10. Attached as Exhibit 7 is a true and correct excerpt of the transcript of the deposition of Robert Major, dated July 17, 2013.

11. Attached as Exhibit 8 is a true and correct excerpt of the transcript of the deposition of Mamta Scott, dated July 18, 2013.

12. Attached as Exhibit 9 is a true and correct excerpt of the transcript of the deposition of Jeffrey A. Lipps, dated July 23, 2013.

13. Attached as Exhibit 10 is a true and correct excerpt of the transcript of the deposition of Allen M. Pfeiffer, dated July 24, 2013.

14. Attached as Exhibit 11 is a true and correct excerpt of the transcript of the deposition of S.P. Kothari, Ph.D., dated July 26, 2013.

15. Attached as Exhibit 12 is a true and correct copy of *Monarch Alternative Capital LP and Stonehill Capital Management LLC's First Request for the Production of Documents to the Trustees*, dated June 12, 2013.

16. Attached as Exhibit 13 is a true and correct copy of *Monarch Alternative Capital LP and Stonehill Capital Management LLC's First Request for the Production of Documents to Duff & Phelps Corp.*, dated June 12, 2013

17. Attached as Exhibit 14 is a true and correct copy of *Monarch Alternative Capital LP and Stonehill Capital Management LLC's First Request for the Production of Documents to Lazard Freres & Co., LLC*, dated June 12, 2013.

18. Attached as Exhibit 15 is a true and correct copy of *Debtors' Responses and Objections to Monarch Alternative Capital LP and Stonehill Capital Management LLC's First Request for the Production of Documents to Residential Capital, LLC*, dated June 20, 2013.

19. Attached as Exhibit 16 is a true and correct copy of *Financial Guaranty Insurance Company's Supplemental Responses and Objections to Monarch Alternative Capital LP and Stonehill Capital Management LLC's First Request for Production of Documents*, dated June 23, 2013.

20. Attached as Exhibit 17 is a true and correct copy of *The Trustees' Objections and Responses to Monarch Alternative Capital LP, Stonehill Capital Management LLC, CQS ABS Master Fund Limited, CQS ABS Alpha Master Fund Limited, and Bayview Fund Management LLC's Supplemental Request for the Production of Documents to the Trustees*, dated June 28, 2013.

21. Attached hereto as Exhibit 18 is a true and correct copy of *The Bank of New York Mellon and The Bank of New York Mellon Trust Co., N.A.'s First Privilege Log*, dated July 5, 2013.

22. Attached as Exhibit 19 is a true and correct copy of *FGIC's Privilege Log Related to the FGIC 9019 Motion*, dated July 7, 2013.

23. Attached as Exhibit 20 is a true and correct copy of *Wells Fargo Bank, N.A.'s First Privilege Log*.

24. Attached hereto as Exhibit 21 is a true and correct copy of the *Privilege Log of U.S. Bank National Association*.

25. Attached as Exhibit 22 is a true and correct copy of *Debtors' FGIC 9019 Motion – Privilege Log*.

26. Attached hereto as Exhibit 23 is a true and correct copy of Debtors' *FGIC 9019 Motion – Supplemental Privilege Log – July 10, 2013*.

27. Attached hereto as Exhibit 24 is a true and correct copy of Debtors' *FGIC 9019 Motion – Supplemental Privilege Log – July 15, 2013*.

28. Attached hereto as Exhibit 25 is a true and correct copy of Debtors' *FGIC 9019 Motion – Redaction Log – July 16*.

29. Attached as Exhibit 26 is a true and correct copy of an email from Mary Eaton to J. Lawrence, dated July 19, 2013.

30. Attached as Exhibit 27 is a true and correct copy of an email from J. Lawrence to Mary Eaton, dated July 20, 2013.

31. Attached as Exhibit 28 is a true and correct copy of an email chain between Mary Eaton and Howard Koh, dated July 21, 2013.

32. Attached hereto as Exhibit 29 is a true and correct copy of an email from M. Johnson to M. Eaton and others, dated July 21, 2013.

33. Attached hereto as Exhibit 30 is a true and correct copy of an email from Emma James to J. Lawrence, dated July 21, 2013.

34. Attached hereto as Exhibit 31 is a true and correct copy of an email from J. Lawrence to Emma James, dated July 22, 2013.

35. Attached as Exhibit 32 is a true and correct copy of an email chain between Mary Eaton and Michael Johnson, dated July 22, 2013.

36. Attached hereto as Exhibit 33 is a true and correct copy of an email from Michael Johnson to Mary Eaton and others, dated July 22, 2013.

37. Attached as Exhibit 34 is a true and correct copy of a letter from Mary Eaton to Hon. Martin Glenn, dated July 24, 2013 (excluding Exhibit A).

38. Attached as Exhibit 35 is a true and correct copy of an email from Michael Johnson to Mary Eaton and others, dated August 2, 2013.

39. Attached as Exhibit 36 is a true and correct copy of an email chain between Mary Eaton, J. Alexander Lawrence, and others, dated August 5, 2013.

40. Attached hereto as Exhibit 37 is a true and correct copy of an email from J. Alexander Lawrence to Mary Eaton and others, dated August 5, 2013.

41. Attached hereto as Exhibit 38 is a true and correct copy of the Declaration of Allen M. Pfeiffer, dated July 30, 2013.

42. Attached as Exhibit 39 is a true and correct excerpt from Ibbotson Cost of Capital 2013 Yearbook.

43. Attached as Exhibit 40 is a true and correct copy of the Expert Report of Allen M. Pfeiffer, dated July 19, 2013.

44. Attached as Exhibit 41 is a true and correct copy of the Duff & Phelps Report, dated May 2013, and with Bates numbers TR-MS000001-09.

45. Attached as Exhibit 42 is a true and correct copy of a draft Duff & Phelps Report, dated May 2013, and with Bates numbers DUFF-MS 00011-19.

46. Attached as Exhibit 43 is a true and correct copy of a draft Duff & Phelps Report, dated May 2013, and with Bates numbers DUFF-MS 00003-10.

47. Attached as Exhibit 44 is a true and correct copy of an email from Michael Johnson to Mary Eaton and others, dated August 6, 2013.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Dated: August 7, 2013
New York, New York

WILLKIE FARR & GALLAGHER LLP

By: /s/ Mary Eaton
Mary Eaton

Joseph T. Baio
Emma J. James
787 Seventh Avenue
New York, New York 10019
(212) 728-8000

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